

Message Text

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ACTION EUR-12

INFO OCT-01 AF-10 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00

PA-01 PRS-01 SP-02 SS-15 AID-05 CEA-01 COME-00

EB-08 EA-10 FRB-03 IO-13 NEA-10 OPIC-03 TRSE-00

LAB-04 SIL-01 AGRE-00 OMB-01 ACDA-12 OIC-02 /131 W

-----109370 251905Z /44

O R 251845Z NOV 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 2188

INFO ALL OECD CAPITALS

AMEMBASSY DAR ES SALAAM

AMEMBASSY PRETORIA

AMEMBASSY LUSAKA

AMCONSUL DURBAN

AMCONSUL CAPE TOWN

AMCONSUL JOHANNESBURG

USMISSION USUN

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 34413

USOECD

E.O. 11652: GDS

TAGS: EINV, PFOR, OECD, SF, EEC, SZ

SUBJECT: EC CODE OF CONDUCT FOR FOREIGN FIRMS OPERATING
IN SOUTH AFRICA

REF: STATE 281210

1. SUMMARY: ON NOVEMBER 24, OECD HEADS OF DELEGATION
DISCUSSED NEW EC CODE OF CONDUCT WITH GENERAL AGREE-
MENT THAT:

A) EC CODE IS PRAISEWORTHY INITIATIVE;

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B) OECD COUNTRIES' GOVERNMENTS AGREE WITH THE
PRINCIPLES SET FORTH IN THE EC CODE (CANADA
AND U.S. EXPRESSED CONCERN THAT MONITORING
MECHANISM DID NOT SEEM TO BE ENTIRELY
VOLUNTARY NATURE);

C) WHILE THERE SHOULD PERHAPS BE AN ATTEMPT

TO ADOPT COMMON CODE, THIS SHOULD NOT BE
AN OECD CODE AND THAT FURTHER DISCUSSION ON
THIS POLITICALLY SENSITIVE ISSUE SHOULD
TAKE PLACE OUTSIDE OF THE OECD.

MEMBERS ALSO AGREED THAT ANY DISCUSSION ON THE U.S.
DELEGATION'S PROPOSAL FOR A COMMON CODE AMONG COUNTRIES
OPERATING IN SOUTH AFRICA (PARA 5 REFTEL) SHOULD BE
DISCUSSED BILATERALLY OR THROUGH CHANNELS OTHER THAN
THE OECD. END SUMMARY

2. OECD HEADS OF DELEGATION NOVEMBER 24 DISCUSSION OF
THE EC MEMBER COUNTRIES' CODE OF CONDUCT FOR ITS FIRMS
OPERATING IN SOUTH AFRICA WENT AS PREDICTED. THE
DISCUSSION WAS OPENED WITH A CAREFUL INTRODUCTION BY
THE SECRETARY-GENERAL AND THE BELGIAN DELEGATE (REPRE-
SENTING EC PRESIDENCY), ASSURING MEMBERS THAT THE CODE
WAS A POLITICAL ACT BY EC MEMBERS TO GET THE SOUTH
AFRICAN GOVERNMENT TO CHANGE ITS APARTHEID POLICY; THAT
THE OECD WAS BEING USED AS A CONVENIENT VEHICLE OF
TRANSMISSION TO SPREAD THE CODE TO OTHER CAPITALS, AND
TO OBTAIN THOSE CAPITALS' REACTIONS WITHIN THE INFORMAL
OECD HEADS OF DELEGATION FORUM; AND THAT THERE WAS NO
INTENTION ON THE PART OF EC GOVERNMENTS TO USE THE OECD
OTHER THAN AS A CHANNEL OF COMMUNICATION OR TO HAVE
FURTHER DISCUSSION ON THE MATTER WITHIN THE OECD.
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3. THE U.S. DELEGATE LED DISCUSSION WITH STATEMENT
TAKEN FROM REFTEL. ALL DELEGATIONS WHO SPOKE

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INFO ALL OECD CAPITALS
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C O N F I D E N T I A L SECTION 02 OF 02 PARIS 34413

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(11 OUT OF 15 NON-EC) -- EXCEPT NORWEGIAN WHO DIDN'T
ADDRESS THE POINT -- AGREED THAT THIS SUBJECT SHOULD
NOT BE DISCUSSED FURTHER IN THE OECD BUT SHOULD BE
TAKEN UP BILATERALLY OR THROUGH OTHER CHANNELS.

4. ALL DELEGATES WERE QUICK TO SHOW THAT THEIR
GOVERNMENTS' POLICIES WERE ALIGNED WITH THE SPIRIT
OF THE EC CODE AND THAT MEASURES WERE BEING CONSIDERED
IN THEIR CAPITALS WHICH THEIR OWN FIRMS MIGHT FOLLOW.
CANADA WAS THE ONLY COUNTRY OTHER THAN THE U.S. TO
EXPRESS CONCERN THAT THE EC CODE'S MONITORING
MECHANISM APPEARED TO GO BEYOND PURELY VOLUNTARY
PROVISIONS.
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5. NORWEGIAN DELEGATE NOTING THAT HIS GOVERNMENT'S
GUIDELINES GO FURTHER THAN THE EC CODE, CAUTIONED
AGAINST THE OECD APPEARING TO GO MORE SLOWLY THAN
OTHERS IN THIS AREA.

6. IN RESPONSE TO THE U.S. SUGGESTION FOR THE
ADOPTION OF A COMMON CODE, THE SECRETARY-GENERAL, IN
SUMMING UP THE DISCUSSION, NOTED THAT THERE WAS
CONSENSUS AGAINST CONTINUING DISCUSSIONS IN THE OECD
FRAMEWORK AND PROPOSED THAT REACTIONS TO THE U.S.
STATEMENT BE GIVEN DIRECTLY OR THROUGH OTHER CHANNELS
TO THE U.S.G.

7. U.S. PERM REP AGREED TO CIRCULATE HIS STATEMENT
TO OTHER MEMBER DELEGATIONS. TEXT THUS DISTRIBUTED

NOVEMBER 25 TO HEADS OF OECD DELEGATIONS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, BUSINESS FIRMS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: EC CODE OF CONDUCT FOR FOREIGN FIRMS OPERATING IN SOUTH AFRICA
TAGS: EINV, PFOR, SF, SZ, OECD, EEC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/630bb911-c288-dd11-92da-001cc4696bcc
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Declassified/Released
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22 May 2009
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